
FY 2012 Budgeting for Results Guidelines and Priorities

December 13, 2010

Office of Management and Budget

FY 2012 Guidelines and Priorities

- Direction from the Board to develop a sustainable, structurally-balanced budget that achieves, within available resources, the County's mission and strategic goals
 - Base budget to assume that property tax levy provides for no increase, including new construction
 - Use of fund balance consistent with policy and structurally-balanced budget
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FY 2012 Guidelines and Priorities (cont.)

- No call for budget reductions
 - Reductions may be necessary later if there is another downturn or if the State passes on significant fiscal impacts
 - No funding anticipated for pay increases
 - No requests for additional funding
 - General and Detention Fund Base internal service charges to be transferred to departments from Non-Departmental
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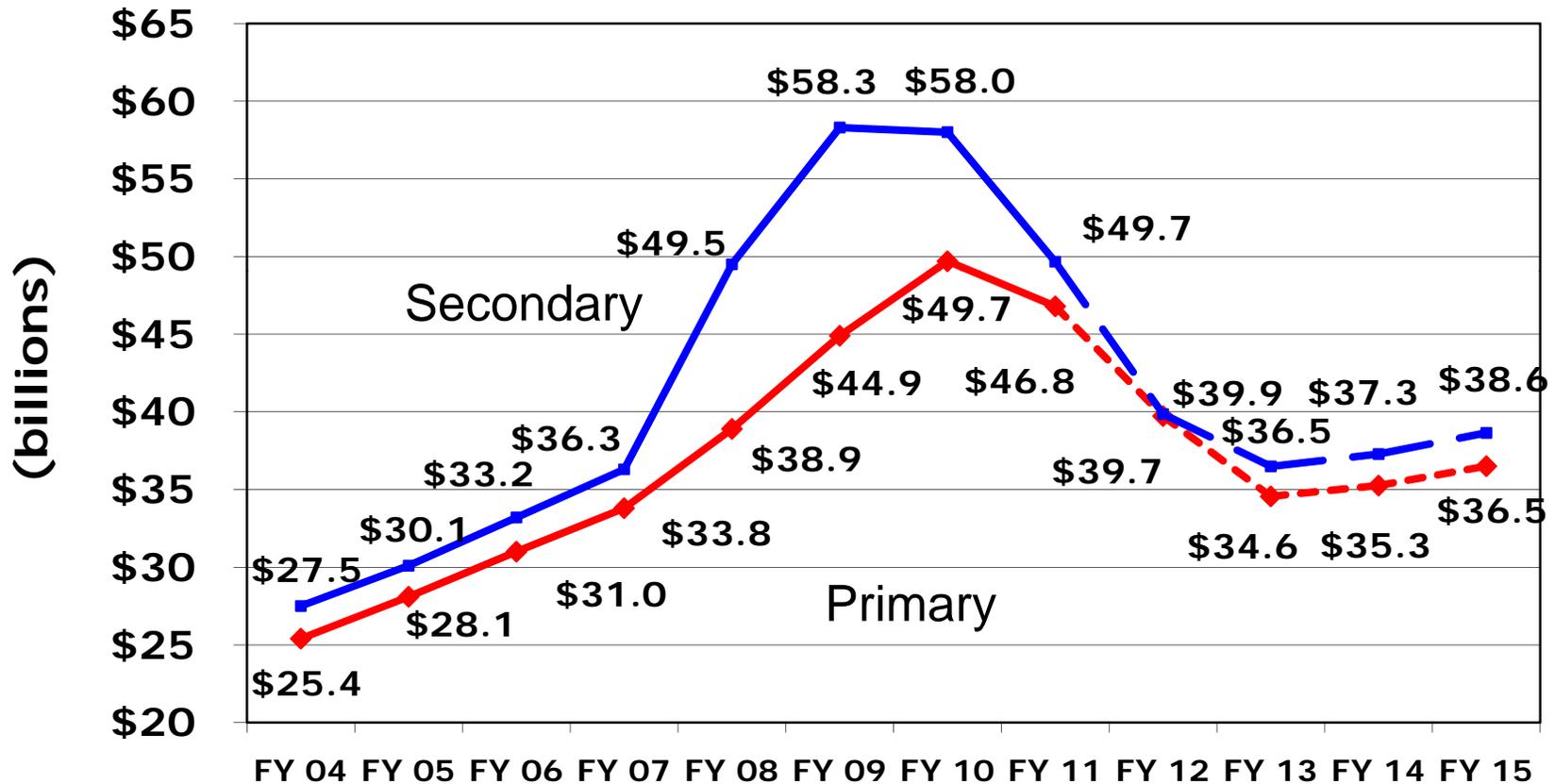
FY 2012 Guidelines and Priorities (cont.)

- Central Service Cost Allocation to be applied to additional funds
 - Capital Improvement Program update
 - New IT projects considered if ROI with direct benefits of three years or less
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Property Taxes

- Definitions:
 - Assessed value: The value of the property that is taxed
 - Property tax rate: The rate applied to the assessed value to calculate the amount of taxes due
 - Property tax levy: The total amount of taxes billed to all taxable properties
 - Tax Levy = Tax Rate X Assessed Value
 - Budget Guidelines call for the property tax levy to be no greater than the FY 2011 levy
 - “Flat Levy” - no revenue increase, including new construction; by Arizona law, this constitutes a tax decrease
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Total Net Assessed Value



Forecasts – Elliott D. Pollack pessimistic scenario, October 2010

Truth in Taxation Law

- By current State law, the “Flat Levy” is legally considered a tax reduction
 - Arizona Revised Statutes Section 42-17107 defines any increase in property taxes from one year to the next on existing property (excluding new construction) as a tax increase
 - The “Flat Levy” scenario allows no increase, even including new construction, and is therefore a tax reduction for owners of existing properties
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Truth in Taxation Notice

Truth in Taxation Hearing Notice of Tax Decrease

In compliance with section 42-17107, Arizona Revised Statutes, MARICOPA COUNTY is notifying its property taxpayers of MARICOPA COUNTY'S intention to lower its primary property taxes over last year's level. MARICOPA COUNTY is proposing a decrease in primary property taxes of \$2,423,591 or 0.5%.

For example, the proposed tax decrease will cause MARICOPA COUNTY'S primary property taxes on a \$100,000 home to decrease from \$124.5 (total taxes that would be owed without the proposed tax decrease) to \$123.89 (total proposed taxes including the tax decrease).

This proposed decrease is exclusive of increased primary property taxes received from new construction. The decrease is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

FY 2012 Budget Calendar

Dec 13	Board Approves FY 2012 Budgeting for Results Guidelines and Priorities
Week of Dec 13	OMB Issues Department Budget Targets, Internal Charges, Forms and Instructions
Early Jan - Late Feb	Departments Submit Budget Requests
February	Elected and Judicial Branch Budget Presentations to the Board of Supervisors
Feb 10	Assessed Values and Levy Limits Reported by Assessor
Mar 11	Departments Submit Final CIP Budgets
Late Jan - Early Mar	OMB Analyzes Department Budgets, Develops Recommendations
March	OMB and Departments Review Budget Recommendations
April	OMB Consolidates Budget, Prepares Budget Document
May 23	Recommended Budget Presentation
	Tentative Budget Adoption
May-June	Publication of Tentative Budget and Truth in Taxation Notice
June 20	Final Budget Adoption
Aug 15	Property Tax Levy Adoption

Some dates may be subject to change.

Technical Updates to the Funded Positions Policy

Technical Updates

- Updated definitions
 - Updated terminology
 - Budgeting by position vs. Full Time Equivalent (FTE)
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Office of Management & Budget

Flood Control District

FY 2012 Guidelines and Priorities

- Base budget to assume property tax levy maintained at \$68 million
 - Use of fund balance consistent with policy and structurally-balanced budget
 - No call for budget reductions
 - No funding anticipated for pay increases
 - No requests for additional funding
 - Capital Improvement Program update
 - New IT projects considered if ROI with direct benefits of three years or less
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Library District

FY 2012 Guidelines and Priorities

- Base budget to assume that property tax levy provides for no increase, including new construction
 - Use of fund balance consistent with policy and structurally-balanced budget
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 - No funding anticipated for pay increases
 - No requests for additional funding
 - Capital Improvement Program update
 - New IT projects considered if ROI with direct benefits of three years or less
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Stadium District

FY 2012 Guidelines and Priorities

- Use of fund balance consistent with policy and structurally-balanced budget
 - No call for budget reductions
 - No funding anticipated for pay increases
 - No requests for additional funding
 - Capital Improvement Program update
 - New IT projects considered if ROI with direct benefits of three years or less
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